

**REMARKS**

Claims 1, 7 and 13 have been amended. Accordingly, claims 1-18 are presented for examination. Note that the term “set” should be interpreted to be one or more.

Claims 1-18 were rejected under 35 USC 103 over Shavit et al. in view of Slavo et al. This rejection is respectfully traversed, and reconsideration thereof is requested.

Shavit discloses a system for facilitating direct communication between buyers and sellers. However, Shavit does not manage the transactions, and applicants’ have found no indication that the Shavit system receives POS data from individual stores. Importantly, Shavit is not managing a supply chain for a franchise operation, and has no motivation to monitor and determine reliance of the individual buyers within the supply chain on particular sellers. Reliance is an important factor in selecting suppliers for a given store, particularly where the suppliers are supplying perishable food items, that must be fresh, but have a short shelf life. The examiner admits in the office action that Shavit does not have any teaching relating to determining reliance.

Salvo et al. is cited to make up this deficiency in Shavit. However, Salvo discloses an inventory management system that monitors a supplier storage (a silo), and provides for electronic reordering based on this monitoring. Salvo discloses obtaining pricing data, and an ability to trace shipment lots back to a supplying vendor so that poor quality inventory and a late delivery history can be traced back to the supplying vendor. See column 11, lines 6-17 of Salvo. Nowhere does Salvo disclose or suggest determining reliance of a retail store on a particular supplier or set of suppliers.

Applicant believes that the present application is now in condition for allowance. Favorable reconsideration of the application as amended is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a

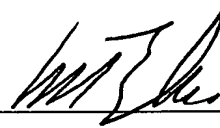
check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

Date

7/16/04

By



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